

# Section 18a

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# Intent of Section 18a

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- To ensure the Federal government is paying for Medicare eligible medical costs, instead of the City and retiree.
- To maintain comparable healthcare coverage for retirees.

# What is Section 18a?

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- Section 18 is a State law\* that, when adopted, requires Medicare-eligible retirees, spouses and dependents (“retirees”) to enroll in a Medicare supplemental plan (“Senior” plan).
- Section 18a only applies to future retirees, who retire after the date of adoption.
- An exception is provided for retirees who have a non-Medicare-eligible dependent who must be covered by a family plan.
- The City of Boston is working to adopt S.18a, effective July 1, 2010; currently before the City Council.

\*Section 18 of Massachusetts General Laws Chapter 32B

# What is Section 18a?

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- Medicare eligible retirees will be covered by Medicare, plus City-sponsored Medicare supplemental plan (“senior plan”).
- Medicare plus City-sponsored senior plan together will offer benefits comparable to non-Medicare plans

# Medicare Eligibility

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According to Medicare, you are Medicare eligible if:

- You *or* your spouse worked for at least 10 years in Medicare covered employment, and
- You are retired, and 65 years old.

Upon retirement, confirmation of Medicare eligibility status will be required for both the retiree and dependents.

# City of Boston – Senior Plans

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Currently 5,900 City of Boston Medicare eligible retirees are voluntarily enrolled in one of six City senior plans:

1. BCBS Master Medical A&B
2. Tufts Medicare Complement
3. BCBS Managed Blue
4. Tufts Medicare Preferred
5. BCBS HMO Blue Care
6. Harvard First Seniority

# Actuarial Comparability

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- Section 18a requires that at least one senior plan plus Medicare be “actuarially comparable” to active plans
- Actuarially comparable plans means
  - Comparable basic benefits offerings
  - Similar provider networks
  - the percentage of claims paid by the enrollee under the senior plan plus Medicare is within 3 percentage points of the claims costs an employee would pay under an active plan

## City of Boston – Senior Plans

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<u>Medicare Supplemental Plan</u>	<u>Mo. Prem</u>	<u>Network</u>
<b>BCBS Master Medical A&amp;B</b>	<b>\$112/mo</b>	<b>In/Out-of-State</b>
<b>Tufts Medicare Comp</b> BCBS Managed Blue	<b>\$ 38/mo</b> \$ 42/mo	<b>HMO Network</b>
Tufts Medicare Preferred BCBS HMO Blue Care	\$ 21/mo \$ 34/mo	Limited Network
Harvard First Seniority	\$ 29/mo	In/Out of State/ Limited



# Moving to a Senior Plan - Example

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Moving from Harvard HMO to Tufts Medicare Complement

	<u>Individual</u>	<u>Family</u>
<b>Harvard HMO</b>		
FY11 Retiree premium*:	<b>\$94/mo</b>	<b>\$253/mo</b>
<b>Senior Plan</b>		<u>1 Adult Med Elig</u>
FY11 Harvard premium*		\$94/ mo
FY11 Tufts Med Comp prem:	\$38/mo	\$38/mo
50% Medicare Part B prem:	<u>\$55/mo</u>	<u>\$55/mo</u>
Total:	<b>\$94/mo</b>	<b>\$187/mo</b>

\*15% in FY11

# Moving to a Senior Plan – more examples

## Monthly Premium Savings\* to Retiree

From:	To:	Individual Retiree	2 Adult Family 1 Eligible	2 Adult Family 2 Eligible
Blue Care Elect	Master Med A&B	Save <b>\$86</b>	Save <b>\$167</b>	Save <b>\$253</b>
Blue Choice	Master Med A&B	Save <b>\$15</b>	Save <b>\$120</b>	Save <b>\$135</b>

\*Includes both Senior Plan premium and 50% Medicare Part B

# Moving to a Senior Plan – more examples

## Monthly Premium Savings\* to Retiree

From:	To:	Individual Retiree	2 Adult Family 1 Eligible	2 Adult Family 2 Eligible
HPHC HMO	Tufts Med Comp	Save <b>\$0</b>	Save <b>\$66</b>	Save <b>\$66</b>
HPHC POS	Tufts Med Comp	Save <b>\$40</b>	Save <b>\$132</b>	Save <b>\$172</b>
NHP	Tufts Med Comp	<b>\$3 More</b>	Save <b>\$56</b>	Save <b>\$53</b>

\*Includes both Senior Plan premium and 50% Medicare Part B

# What this means for you

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- Before you retire, call the Health Benefits Office in Room 807, City Hall – 617-635-4570.
- Bring proof of Medicare eligibility
- Talk with insurance counselors about your options
  - Your health needs/your providers
  - Where you will be living
- Select a plan that is best for you

# Next Steps for the City

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- Resolution has been filed with the City Council
- City Council will consider the adoption of Section 18a for July 1, 2010 effective date
  - Ways and Means Committee is holding a public hearing on Monday, March 22 at 10am, fifth floor of Boston City Hall
  - Every Medicare-eligible employee who retires on or after July 1, 2010, and their spouse and dependent, must enroll in Medicare and a senior plan when they become medical eligible. (With exception for retirees with non-Medicare-eligible dependent who must be covered by a family plan.)

# Questions

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